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CLASSIFICATION

DATE 13 JUN 1954

TO FBSUCCESS Headquarters

INFO: Guatemala

FROM LINCOLN

SUBJECT { GENERAL Operational - K Program
SPECIFIC Talk with() to Guatemala

REF: () 8 June 1954

Attached is ()'s report on the above subject. The
rough report was forwarded to LINCOLN with reference dispatch.

()
12 June 1954

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SUCCESS

K-Program - Talk with
()

1. The meeting reported on in this dispatch took place at the () in Guatemala City on Sunday, 6 June, lasting five hours. () was in attendance as () consultant and interpreter. During our talks the first secretary of the Embassy dropped by and both () and () were introduced to him.

2. My second () served the purpose of passing in review the events leading up to the present impasse between the United States and Guatemala, to elicit () estimate of the current situation, his assessment of the communist threat emanating from developments in Guatemala in particular so far as it concerns the security of () and to join him in a study of the factors that could be brought to bear upon an effective solution of the existing problems, especially the contribution the United States could render.

3. In any evaluation of the views () expressed it should be borne in mind that () a nation which from all accounts can boast an outstanding record of consistent and irreconcilable hostility to communism. ()

should further be borne in mind that () It is unfamiliar with PRONOCES and the strategic concept underlying it.

4. It is my understanding that, on a strictly governmental plane, relations between () and the United States are not what they ought to be. This, in part, may serve to explain () lack of complete understanding of United States foreign policy relating to Guatemala. While by () own admission he is completely conversant with the views of () (which, as far as Guatemala is concerned, he is undoubtedly instrumental in fashioning) his approach is of needs circumscribed by a narrow projection of his country's specific needs and fears upon a study of facts and symptoms of growing communist ascendancy in Guatemala. He is undoubtedly aware of the nature of our strategic interests in the Panama Canal Zone and able to view United States preoccupation within the larger context of our worldwide commitments but neither are determinant factors in his analysis.

5. ()

6. On 5 June () once more broached to () the issue of meeting an American and this time () displayed some interest - "other engagements permitting" - in talking to me. () told him that he had met me in () and that he would attempt to invite me to come to Guatemala on the understanding that during my sojourn I would be the guest of the

In commenting upon my observation that at this particular juncture the meeting would take place under the worst conceivable conditions, () concurred that recent developments would in fact reduce the purpose of any meeting to telling () what () himself had told President Arbenz innumerable times, without my being able to adduce any tangible evidence of United States determination to meet the communist challenge in Guatemala. ()

() pointing out that he had established for himself a record of friendship for Guatemala which he was loath to bar, his whole personal future in () being bound up with a success of his mission in this country.

7. () agreed that my position would be an altogether stronger one if a meeting with () and () could be laid on in the wake of a series of incidents suggesting growing resistance strength and growing United States involvement. ()

() It may be pertinent to mention once more that the () expressed the firm conviction that any meeting between () and me at this time could be presumed to enjoy the active sponsorship of President Arbenz.

8. On June, () had met with Chancellor TORIELLO for about 40 minutes. TORIELLO exuded confidence (not feigned). He requested () to convey to () that relations between Guatemala and the United States were normal and that his conversations with Ambassador Keurifoy, to be followed by several more, had contributed toward that end. TORIELLO further confided that he had "a master card to play" in conjunction with the proposal advanced by President Figueres of Costa Rica to convene a meeting of Presidents and/or their foreign ministers in Panama. TORIELLO would propose that, rather than making this a round table conference, the United States and Guatemala join the conference as litigants, with Argentina, Brazil, Mexico, Chile and El Salvador arbitrating all outstanding issues. He asked () to

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present this idea to() and have him second it.

9. The recent arms shipment has strongly aroused the suspicions of the Central American nations and a development of acute friction is only a matter of time. It was wise on the part of the United States to let the Alfhem get through (sic). The arms shipment has served to weaken Guatemala's international position, inasmuch as 2,000 tons of evidence can now be adduced in support of the hitherto unproven allegation that there is a direct link between Guatemala iron curtain countries. Especially(), over the last 50 years a bulwark against Guatemalan penetration attempts, is profoundly disturbed as a result of this event which "sharpens up the picture of communist penetration based on Guatemala." Nobody should be deceived by ()'s show of neutrality which is a simple time-saving device, enabling the Republic to gird itself for the anticipated Guatemalan onslaught. A break with Guatemala is absolutely unavoidable and will necessarily lead to an open conflagration. Any such development will be provoked by Guatemala. In about six to eight months, once Guatemalan troops have been fully trained in the application of their new weapons, Guatemala will be free to move.

10. The arms shipment has of course had a very beneficial influence upon the morale of the Army which up to that time had suffered from symptoms of asphyxiation. Their reactions are naturally conditioned by the "morbid nationalism" pervading Guatemala. The possession of the arms makes them think that they are stronger than actual conditions would justify - a very dangerous state of affairs. Opposition elements in Guatemala are staggering under the impact of these developments and there has undoubtedly occurred an alarming drop in their morale.

11.() has been provided with a flow of information on the contents of the arms shipment, but since not everything has been unpacked yet an accurate quantitative estimate won't become available for some time. The shipment included 20 assault cars, 120 mm mortars used in the Korean theater of war, 75 mm artillery pieces of Krupp manufacture, bazookas, flamethrowers, large quantities of automatic rifles resp submachine guns, antiaircraft guns, of 20 mm (dual purpose) and 37 mm caliber and "enormous" quantities of hand grenades. There is a sufficient supply of small arms to arm three divisions of 15,000 men each and this, according to() should be considered a conservative estimate.

12. The arms deliveries rushed by the United States to threatened Central American nations fail to impress Guatemalan military experts. They reason that Honduras has no Army, Nicaragua no reserves, being forced to keep 5,000 militaries out of a total of 7,000 in the country to maintain control over the internal situation. El Salvador - they reason - has 4,500 men under arms plus a National Guard of 1,500 men. Guatemala's strategic plans call for the disorganization of the deployment of the Salvadoran Army through three or four air bombardments, designed to throw the civilian population into panic. According to() the operations plans

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of the Guatemalan Army, which two years ago he had an opportunity to study, list air bombardments of Salvadoran targets as an indispensable requirement for military victory. According to (

) the Guatemalan Army realizes that in any encounter of ground troops, the Guatemalan Army "would be made hash of." () "without question" has a better Army than Guatemala, one of the reasons being that the troops are thoroughly indoctrinated and can be counted upon to shed their last drop of blood in defending () against communist aggression. () mentioned as an interesting sidelight that the Guatemalan Army in turn is equally aware of the fact that Guatemala would be highly vulnerable to air attacks, her military objectives being concentrated in a few areas, and their communications being easily disruptible.

13. While the Guatemalan Government obviously appreciates the fact that in any conflagration involving Guatemala and (), the United States would not stand by idly, but come to the aid of () (possibly intervening directly), this in () opinion will prove no deterrent to attack, because the leading faction within the Guatemalan Government is completely irresponsible. Their reasoning would be along the lines that by fanning into flame the latent conflict between Guatemala and (), they will consolidate the regime's position internally on what would purport to be a national issue. () stressed once more that his government considers a conflict unavoidable and that it is engaged in laying its defense plans on the supposition that the United States "will do nothing to halt Guatemalan tendencies."

14. () mentioned that his government has in recent days submitted its military requirements to the United States through the Ambassador in () and that terms of payment have been taken under advisement. () added that inasmuch as his country is willing to pay for the stuff, he trusts that there won't be any major substitutions for items requested, implying that requirements have been drawn up conservatively and in full awareness of ()'s strategic situation. () further put in a plea for doubling or trebling scholarships granted to officers and enlisted men by the U. S. Army, in particular to step up aviation and heavy arms training.

15. The outcry against the arms shipment has immeasurably strengthened the internal position of the regime, the communists being most successful in giving the argument a nationalist twist. The Guatemalan Government is now convinced that it will be able to weather the storm, "that the height of the tide has passed," "that the air is out of the balloon." (POCIBELLO quotes). An indication of this confidence is that President Arbenz and four or five cronies have just decided to invest 2,000,000 dollars in a long-range business venture. This confidence is to some extent based on the supposition that the United States would rather spend itself on two or three years of fruitless negotiation than going it alone.

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16. As regards economic sanctions, the Guatemalan Government takes this possibility into consideration without seriously believing that it will be applied. In () opinion the United States has behaved in a much too lenient fashion vis a vis Guatemala. As they say in (): The United States is like a big dame allowing its tail to be bitten by a small woolly dog. The Guatemalan Government is further convinced that economic sanctions, even if imposed, would have no teeth, freedom of trade in the United States militating against its effectiveness. Beyond doubt, the curtailment of gasoline supplied would in short order have a crippling effect and might bring about the collapse of the regime. Only small gasoline supplies reach Guatemala via El Salvador. The bulk comes through San Jose.

17. The Guatemalan Government is satisfied that its latest swoop operation has effectively decapitated the opposition in Guatemala. In ()'s opinion, opposition is latent and without capacity to act. The Guatemalan Government is convinced that an invasion is in the cards, is afraid of air bombardments, and is convinced that United Fruit is actively supporting the resistance.

18. Two years ago () had access to plans, preparing for the organization of syndicate shock units. He is convinced that if an emergency arises, the campesinos and syndicates will be armed. Even Army representatives no longer deny that this probability now exists. Obviously such forces would be effective only for purposes of internal repression. If ordered by President Arbenz, the arming of those elements would not be opposed by the Army which at this stage identifies itself with the Government. The Army would be completely oblivious of the fact that it is signing its own death warrant. The arming of the campesinos would of course be resorted to only in an extreme crisis... () doubts that campesino elements could be successfully integrated into the Army. They would obey their labor leaders. Once armed it would be near impossible to disarm them, once the emergency is passed. The decision to arm campesinos would be taken by President Arbenz in consultation with Colonels Sanchez and Diaz. The reaction to such a move on the part of the Guatemalan Government among the () populace would be a violent one. They would understand that the arming of campesinos poses a direct threat to their internal security. The Government would immediately move 10,000 - 12,000 troops to the Guatemalan border in order to defend itself against imminent attack.

19. One of ()'s informants, a () communist, told him that the communists could take over Guatemala today if they so wanted. However, it does not suit them at this time. For one thing they are sure that it would provoke outside intervention. It is also doubtful in ()'s opinion whether the Army High Command would countenance such a move and for that reason he does not share the view that the communist could establish themselves in power without encountering resistance. Since the communists are making effective use of the Army in carrying out their

designs anyhow, there is no reason why they should wish to precipitate a showdown.

20. No evidence has come to hand yet that the Guatemalans are passing arms to oppositional elements in (). () believes that it will take quite a while before this comes to pass.

21. The Guatemalan Government refuses to believe that the United States would risk incurring Latin American opprobrium by unilaterally intervening in Guatemala. They are also quite convinced that collective action will fail.

22. (), based on his knowledge of "six or seven resistance centers in Guatemala," and on the strength of some rather painful experiences with resistance elements, is inclined to discount their potential effectiveness. Government persecution may boomerang though, because more and more families are being drawn into its purview, with sons and friends disappearing in the Government's dungeons.

23. One should not entertain any illusions as to the Army's determination to defend the regime in case of a civilian uprising. All plans should take into account the probability of Army action. The Army will throw in with the insurrection only "on the basis of established facts," such as simultaneous uprisings in widely scattered communities of the Republic, accompanied by acts of sabotage, which might bring the Army to terms. As long as there exists a good possibility that the regime may master the situation, the Army as a whole will remain loyal to it. However, there may be groups of greater or lesser importance associating themselves with the uprising from the start. In sum, the Army's reaction will depend entirely "on how the thing goes." It is quite likely that the Army's reaction will be correlated to manifest evidence of United States backing, because they would realize that they are on the losing side.

24. It should not be ignored that the Army, in case of a campesino uprising, would be faced with the most serious problem in its history. All its links are with the urban population. Many of the ranking officers are nouveau riches. An actual physical conflict would of course only arise where there are garrisons, not in villages where campesino shock troops would be in command of the situation. () has been told that in certain outlying villages opposition forces are preparing to offer resistance to campesino shock troops. There is a possibility that in some towns the Army will remain neutral if this should come to pass.

25. Any uprising would encounter its first resistance on the part of the Guardia Civil which is totally dominated by communists, but whose combat effectiveness is very low.

26. () is unable to conceive of a successful overthrow of the regime as a result of internal action only. Conversely he is certain that the Government could not cope with an internal uprising and a simultaneous invasion. He did concede that there might be some prospect of success for a civilian insurrection "depending on its scope;" (this taken in conjunction with ()'s low estimate of the resistance's potential especially as a result of the recent purge, would still leave the outcome in doubt.) If, on the other hand, we are aiming for an immediate favorable solution, a simultaneous invasion is quite indispensable.

27. In theory an invasion of Guatemala could be launched by either Honduras or El Salvador. The topography of the Honduran/Guatemalan border area does not lend itself to a successful invasion in either direction and action would soon grind to a halt. Should Guatemala at any time launch an invasion against Honduras, El Salvador would instantaneously rush to her aid and invade Guatemala. Should, on the other hand, Honduras provoke a conflagration with Guatemala, El Salvador's reaction might be somewhat less instantaneous. The historical invasion route is through the Salvadoran flatlands.

28. () stated that he could not visualize an invasion of Guatemala by (), except under conditions of "extreme provocation." He pointed out that ()'s idiosyncracies in that respect are similar to those of the American people. Only an obvious and violent slap in the face would engender a propitious climate for military action. Only manifest provocation would do the trick.

29. Question: Given the following circumstances, what would be ()'s reaction?

A. A civilian uprising, competently planned, centrally controlled, with an ample supply of arms and ammunition, has started in Guatemala;

B. The outcome of this enterprise is trembling in the balance;

C. The Guatemalan Government has up to this time studiously abstained from giving provocation to ();

D. () is fully conversant with the uprising's progress and with the backing behind it and as determined as ever to help in the liquidation of communism in Guatemala.

30. ()'s reply: On an official basis () would do nothing. However, important groups of () citizens dedicated to fighting communism and anxious to contribute their share to the overthrow of the Arbenz regime, would immediately join the fray. The () Government would sin by omission and would lend itself as a base for assistance. () emphasized

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that his statements could be accepted as reflecting the views of President(). The burden of their frequent conversations was the situation in Guatemala. They were completely at one in the conviction that a normalization of relations with the Arbenz regime was completely out of the question. For one thing, Mrs. Arbenz made it impossible to come to any kind of desirable understanding. She should be considered at least an instrument of communism. It was well known that many Salvadoran communist in Guatemalan exile lived from her personal handouts.

31. The following "undiplomatic" question was put to () with the clear understanding that it should not be construed as reflecting the thinking of anyone in responsible position in the United States Government: Under what conditions and on the strength of what specific assurances given by the United States Government would () be prepared to precipitate an invasion of Guatemala? Would, as an example, an iron clad United States guarantee to consider any military setback in such enterprise a "casus belli" and sufficient cause for coming to the aid of (), be a proposition worth looking into?

32. () without a moment's hesitation replied that this was definitely a matter worth discussing between "an official representative of the United States Government" and President (). Once an understanding between the United States and () had been reached "the manufacture of a Guatemalan provocation" could easily be resolved. After all, there was historic precedent in () history for the manufacture of provocation. In () the later () President (), who then commanded troops in the border district, arranged for a bombardment of ('s soil by Guatemalan troops. Had it not been for the intervention of the (), which stopped the () advance 12 kilometers inside of Guatemala, "we could have been lunching peacefully in Guatemala City one week later."

33. () in thinking out loud about the possible course of events, should there be an uprising in Guatemala, made the following observations, which I have not tried to place in their proper context and which are set down here as stated by him:

A. Once elements of CALLIGERIS' Army of Liberation have landed at points along the Pacific and Atlantic coast and taken possession of a few important centers, CALLIGERIS would declare himself immediately the constitutional government of Guatemala. His Government would gain immediate recognition from the United States and a number of Latin American nations. Preferably two or three Latin American nations should take the lead, with the United States following suit.

B. An interior uprising would result in considerable bloodletting.

C. Although the historical invasion route is via the

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Salvadoran plains, an invasion of Guatemala based on Honduras would be useful diversion. If the Honduran invasion of Guatemala should turn out a failure (as most likely it will), Guatemala would undoubtedly retaliate and this in turn would bring El Salvador into the act. In other words, an invasion based on Honduras and designed to fail might be an effective curtain raiser.

D. United States approval of the undertaking could best be signified by sending sterile bombers over Guatemala and by bombing military objectives.

E. The fall of the Arbenz regime would be a foregone conclusion, if we could organize a civilian uprising, accompanied by widely scattered acts of sabotage and an invasion attempt based upon Honduras.

F. Given all other factors, overt United States intervention could be dispensed with.

G. Once Guatemalan troops set foot on Honduran soil, even if they do so in the defense of Guatemalan soil against unprovoked Honduran aggression, El Salvador would have no choice but to intervene.

34. () confirmed that there exists considerable personal jealousy between SANCHEZ and DIAZ both being in the running for the presidency. The majority of Guatemala's officers are not in favor of communism. Only the assurances which they have been receiving from President Arbenz are causing them to act the way they do. "The purchase" of most of the leading officers is likewise an important factor. The Ambassador has personal knowledge of sizeable gifts received by SANCHEZ, DIAZ, and BORRA, especially their partnership in new industries. Some of the best lands carved out from national fincas, and valuable urban properties have been turned over to them at a charge of 7 cents the square vara, the real price being \$10 the square vara.

35. () knows Colonels BARRAZA LAMA and PABLO DIAZ. They are not communists, but completely under the thumb of President Arbenz whom they worship as a genius "simply because he excelled in the Escuela Politecnica."

36. There is no doubt in ()'s mind that the Army High Command would respond to manifestations of strength. Such manifestations would also have a strong influence upon the "bystander element" among Guatemala's civilians.

37. The great majority of the Guatemalan people still hope that the United States will act. Failure to do so has caused considerable disillusionment. () cannot conceive of any effective, i.e., practicable formula emerging from an OAS conference. What will emerge is bound to be "a romantic, not an effective formula." In

viewing the prospects of such a conference he entertains the same grim forebodings that were with him prior to Caracas.

38. () emphasized that there are strong forces in Latin America to whom unilateral United States intervention is anathema. Consequently unilateral United States intervention should be "the last card in the deck." Let us exhaust all other methods first. This is not in conflict with the realization that in some sectors of Guatemala and of other Latin American countries, great hopes are being entertained that the United States will intervene unilaterally.

39. ()'s personal opinion: If as a last resort the United States should intervene unilaterally, it would be "quite easy" to convince world opinion that this move has the approval of the majority of the Guatemalan people. The reception which will be accorded to American troops by the Guatemalan populace will leave no doubt on that score. () "has heard a thousand Guatemalans asking for it." If the stage is properly set for intervention, the United States will not be left holding the bag. Inasmuch as 90% of the Guatemalan populace support the idea of United States intervention, the manifestation of popular joy, "even if they are to be stimulated," would make such an impact on world opinion that other countries would have no choice but to approve of what the United States felt impelled to do.

40. The Kremlin's principal objective in Guatemala is to establish on its soil an operations base, not necessarily to gain control of its government. Guatemala is on the road to becoming the center for agitation and subversion directed against other Central American states. The first phase, designed to soften up the governments of those states, has already commenced. In Central America, communism's principal target is not () but (). Central America will fall into the Kremlin's lap, the day the communists have succeeded in softening up and penetrating the government of (). The penetration of () has as its main objective to outflank and envelop ().

41. Communist policy in Guatemala is rather stupid. They have made such a show of strength that everybody has by now been put on guard, not only the United States but also (). In theory at least the Guatemalan Army could still stem the advance of communism because "they are fully acquainted with the communist apparatus."

42. To my question: If AFB-MZ offers to contain communism in Guatemala, what should our reaction be? () gave the following terse answer: Don't believe him. The Guatemalan Government, if it wanted to control communism, it could do so. The Guatemalan Government does not want to control communism.

43. () personally favors a radical solution of the communist problem in Guatemala. He shares a widely held conviction that the best communist is a dead communist and that communists are uncontrollable.

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44. Would an official statement on the part of the United States Government to the effect that President Arbenz and his regime are communist and that the regime's continued existence threatens United States security and that of the Western Hemisphere be of any benefit? Answer: Actions, no talk.

45. () has some good penetrations of the communist movement in Guatemala. In particular has he been able to keep abreast of the plans and activities of a communist cell dedicated to the sole task of subverting (). This particular cell is also responsible for several abortive attempts against the life of President (). While this cell is not overtly linked with the Guatemalan Government, there can be no doubt that it draws sustenance from it. Its most important members are:

Licenciado Miguel Angel Flores, labor judge in Mazatenango

Rearo Hubleau, lawyer working for PAN

Roberto Castellanos Salvo, who is the chief coordinator of all subversive activities directed against ()

Jose Menca

Virgilio Guerra, who is currently in Moscow

46. () Government is aware of the activities of the Guatemalan Military Attache in () and "is able to provide him with most of his information."

46. Field comment:

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D.(

) "Today they are pro-communist because they believe that the President is pro-communist. Tomorrow, if a Priest is elected President of Guatemala, the same people will show up as sacristans." A contradistinction, he states the ()ans are highly individualistic and articulate in voicing their political opinions not always in line with those entertained by the Government.

E. It should further be borne in mind that himself is presidential timber and avowedly in the running. He is thirty seven years of age and in answer to my question, how old he would be as President of (), he remarked: two and a half years older.

F. () considers () is one of the most impressive Latin politicians he has ever met. Without adequate standards of comparison, I wish to associate myself with this characterization to the extent that I share the impression that () is a highly motivated individual who does not rule out that he is at the same time busy mending his political fences.

G. There is no doubt in my mind that as far as the communist threat to his country is concerned, () is in dead earnest and that, if he believes that the issues warrant it, he may even be prepared to risk his political neck.

H. I doubt whether () ever before has been afforded an opportunity to expand his political philosophy within the broad context of all the problems with which we are concerned. On some of the issues raised he may have felt somewhat out of his depth, but his cooperation in our attempt to develop through him a consistent pattern of planned action was beyond praise. With the qualifications noted in the introductory paragraph, it may be worth your while to study what he has to say.

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